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IN THE

Supreme Court of the United States

OCTOBER TERM, 1962

No. [redacted] 106

SCHENLEY DISTILLERS, INC.,
Petitioner,

v.

JOHN P. DANT DISTILLERY CO.
and JOHN P. DANT, JR.,
Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

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Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

TO THE HONORABLE CHIEF JUSTICE AND THE ASSOCIATE JUSTICES OF THE SUPREME COURT OF THE UNITED STATES:

Petitioner prays that a writ of certiorari issue to review a judgment of the United States Court of Appeals for the Sixth Circuit.

Opinions Below

The United States District Court for the Western District of Kentucky did not render a formal opinion but filed a memorandum decision incorporating findings of fact and conclusions of law, which is reported at 189 F. Supp. 821 and is printed as Appendix B to this Petition (pp. 25-35).

The *per curiam* opinion of the United States Court of Appeals for the Sixth Circuit, affirming the District Court, is reported at 297 F. 2d 935 and printed as Appendix D to this Petition (pp. 37-38).

Jurisdiction

The judgment of the United States Court of Appeals for the Sixth Circuit was entered on January 4, 1962 (Appendix E, p. 39). A timely petition for rehearing was denied on February 8, 1962 (Appendix F, p. 40). The jurisdiction of this Court is founded on 28 U. S. C. § 1254(1).

Questions Presented

1. Does the use by respondents of the trademark "John P. Dant" for whiskey and the trade name "John P. Dant Distillery Co." constitute an infringement of and unfair competition with petitioner's celebrated trademark "J. W. Dant" for whiskey, registered in the United States Patent Office under the ten-year proviso of the Trademark Act of 1905 and republished under the Trademark Act of 1946?

2. Does the fact that the trademarks in suit consist etymologically of personal names deprive petitioner of the right to relief against colorable imitation to which it otherwise would be entitled?

3. Are respondents, who received assignments in gross of the trademark "John P. Dant" shortly prior to the commencement of this action, without any accompanying transfer of business assets or other indicia of good will, entitled to rely on the equitable defenses of laches and

acquiescence predicated upon the failure of petitioner's predecessors to proceed against the minimal use of the challenged mark by respondents' assignors?

Statutes Involved

The statutory provisions involved are Sections 2(e), 2(f), 5, 7(b), 32(1), 33(a), 33(b)(4), and 45 of the Trademark Act of 1946 (Lanham Act), 15 U. S. C. §§ 1052(e), 1052(f), 1055, 1057(b), 1114(1), 1115(a), 1115(b)(4), 1127; and Section 5(b) of the Trademark Act of 1905, 15 U. S. C. § 85. They are printed in Appendix A (pp. 20-24).

Statement

This is a trademark infringement action. Petitioner seeks review of a decision of the United States Court of Appeals for the Sixth Circuit which unanimously affirmed, per curiam, a judgment of the United States District Court for the Western District of Kentucky holding that the use by respondents of the trademark "John P. Dant" for whiskey is not an infringement upon petitioner's rights in the trademark "J. W. Dant" for whiskey, a trademark registered in the United States Patent Office (147a, 149a).* Petitioner's "J. W. Dant" trademark is extremely valuable; it is the largest selling brand of bonded Kentucky bourbon in the country, with sales amounting to more than $30 million per year (82a-83a).

The registered trademark "J. W. Dant" originated as the personal name of petitioner's predecessor, who went into the business of distilling whiskey in Kentucky in 1836 (15a). Petitioner is the owner of two United States

* Unless otherwise indicated, parenthetical references are to petitioner's printed appendix in the court below.

Patent Office registrations, one for a label design showing "J. W. Dant" in the form of a facsimile signature (147a) and the other for "J. W. Dant" alone (149a). Both of these registrations have been republished under the Trademark Act of 1946 and are now in full force and effect (147a, 149a). The second of the two registrations mentioned is of particular importance because it was issued pursuant to the so-called ten-year proviso of the Trademark Act of 1905, under which personal names (otherwise unregistrable except when displayed in some special manner) were entitled to be registered on the same basis as any other trademark if they had acquired a secondary meaning by exclusive and continuous use for the ten-year period immediately preceding the passage of the statute, i. e., ten years commencing on February 20, 1895. 15 U. S. C. § 85(b).

This action was commenced in 1955, after petitioner had written a letter of complaint about the use of "John P. Dant" as a trademark for whiskey (12a). The respondent corporation thereupon brought suit against petitioner, seeking a declaratory judgment of non-infringement, and incidental injunctive relief (6a-13a). Petitioner counterclaimed for infringement of its registered trademark "J. W. Dant" and for unfair competition; and brought the individual respondent, John P. Dant, Jr., into the action as a third-party defendant (14a-33a).

The District Court denied relief, holding that the trademark "John P. Dant" is not confusingly similar to petitioner's trademark "J. W. Dant." The District Court proceeded on the theory that a different test of trademark infringement is applicable in cases where the marks consist etymologically of personal names, thus reaching the startling conclusion that the two almost identical trademarks in controversy are not confusingly similar.

The Court of Appeals, composed of Simons, C. J. (retired), Martin, C. J. and Darr, D. J. (retired), affirmed in a brief *per curiam* opinion which approves the District Court's findings of fact and conclusions of law and repeats the portion of the judgment of the District Court which held "that the trademark 'John P. Dant' is not confusingly similar to appellant's [petitioner's] trademark 'J. W. Dant.' " The Court of Appeals went on to say that the district judge had "set forth succinctly the basis upon which he reached his conclusion." However, far from any reasoned discussion by the District Court, this fundamental conclusion on the central issue in the case is mentioned only in the judgment; the question of confusing similarity is not referred to anywhere in the memorandum, findings of fact or conclusions of law filed by the District Court.

The *per curiam* opinion of the Court of Appeals also states that the District Court's conclusions of law "are documented with appropriate authority." But an examination of the authorities cited by the District Court shows that all the personal name cases to which it referred *granted relief* to the complaining party. There is no documentation of "appropriate authority" denying all relief, as was done here. Both courts below failed to consider the controlling authority, including this Court's decision in *Thaddeus Davids Co.* v. *Davids*, 233 U. S. 461 (1914), which deals with the identical issue of a personal name registered as a trademark under the ten-year proviso of the Trademark Act of 1905 and infringed by another personal name used on the identical type of goods, and which holds that effective equitable relief should be granted against such infringement. Neither the District Court nor the Court of Appeals so much as mentioned that case. This is all the more remarkable since *Davids* is on all fours with the instant case.

Reasons for Granting the Writ

A. This case raises important questions concerning the construction and application of the Trademark Act of 1946, 15 U. S. C. §§ 1051-1127, which have not been, but should be, passed upon by this Court. The failure of the Court to exercise its discretionary jurisdiction to review the decisions of the lower federal courts in trademark litigation has left this branch of the law in hopeless confusion, to the signal disadvantage of litigants and the detriment of the purchasing public.

B. The basic issues of law in this case were decided by the courts below in a way which conflicts with controlling decisions of this Court and also conflicts with decisions of other circuits.

I

The decision below is at direct variance with the holding of this Court in *Thaddeus Davids Co.* v. *Davids*, 233 U. S. 461 (1914), and with decisions in other circuits. It denies protection to a personal name trademark in the face of a plain infringement.

The *Davids* case is directly in point. The mark there, like the petitioner's here, was a personal name that had been registered under the ten-year proviso of the Trademark Act of 1905. This Court, reversing the Court of Appeals for the Second Circuit, reinstated a District Court decree that enjoined the use of "Davids" for ink on the ground that it infringed upon the registered trademark "C. I. Davids" for the same type of goods.

The *Davids* case establishes two converse propositions. A personal name, once registered under the ten-year pro-

viso of the Trademark Act of 1905, is to be protected against infringement on exactly the same basis as any other trademark. And it is no defense to the use of a confusingly similar trademark that it consists of the personal name of the infringer.

The Trademark Act of 1905 represented a substantial advance in the law. Prior registration legislation had provided no protection for personal names beyond that which they enjoyed under unfair competition principles at common law. The courts in the early common law cases were reluctant to grant relief and protection was afforded initially to personal names and descriptive terms only where there was proof of some extrinsic act of unfair competition in addition to the use of a confusingly similar mark. See *Howe Scale Co.* v. *Wyckoff, Seamans & Benedict*, 198 U. S. 118, 135-36, 140 (1905); *Brown Chemical Co.* v. *Meyer*, 139 U. S. 540, 543-44, 547 (1891); see also *Singer Mfg. Co.* v. *June Mfg. Co.*, 163 U. S. 169, 187 (1896). That view has long since been abandoned. It has been rejected by the Restatement of Torts (§§ 740, 744 comment *d*) and by the weight of authority. Regardless of its etymological origin, a trademark that prima facie would be incapable of exclusive appropriation by a manufacturer or merchant because it consists of a personal name, or a descriptive or geographical term, is entitled to protection on the same basis as any other trademark if as the result of substantial and exclusive use it has acquired a secondary meaning; i. e., its primary etymological character has been submerged so that it functions as a distinctive symbol identifying goods emanating from a particular source and impregnating them with its commercial magnetism. See, e. g., *Cook Chemical Co.* v. *Cook Paint & Varnish Co.*, 185 F. 2d 365,

367 (8th Cir. 1950); *S. M, Spencer Mfg. Co.* v. *Spencer*, 319 Mass. 331; 66 N. E. 2d 19 (1946); *Stern Furniture Co.* v. *Stern*, 52 Ohio L. Abs. 527, 83 N. E. 2d 804 (Ct. App. 1948), *aff'd*, 152 Ohio St. 191, 87 N. E. 2d 351 (1949).

The Trademark Act of 1905 made it clear that if such a mark had been "in actual and exclusive use" for the particular period of ten years immediately preceding February 20, 1905 (the date of the statute), it was deemed to have acquired a secondary meaning and was entitled to registration. 15 U. S. C. § 85(b). Once registered, it was to be treated like any other trademark and was entitled to full protection even as against use by another of his personal name, as in *Thaddeus Davids Co.* v. *Davids*, 233 U. S. 461 (1914).

The Trademark Act of 1946 carried the reform further. Once registered, a personal name trademark is measured by the same rules as all other registered marks, but five years of "substantially exclusive and continuous use" immediately prior to the filing of the application is now prima facie evidence of secondary meaning and a sufficient prerequisite for registration. 15 U. S. C. § 1052(f). The peculiar limitation to a specific ten-year period, as required by the Act of 1905, no longer applies.

It is thus plain that Congressional policy is to accord full rights to a personal name registered as a trademark regardless of its etymological character. The right of an individual to use his own personal name to identify his business is safeguarded by 15 U. S. C. § 1115(b)(4), which lists as a specific defense to a trademark infringement claim the following: "That the use of the name, term, or device charged to be an infringement is a use, *otherwise than as a trade or service mark*, of the party's individual name in his own business . . ." (emphasis added).

The quoted passage from the Act of 1946 points up an essential distinction between trademarks and business or trade *names*. A trade name identifies the business, like "John P. Dant Distillery Co.," while a trademark is the identifying symbol for the merchandise itself, like "John P. Dant" bourbon whiskey. (The terms are defined in the statute, 15 U.S.C. § 1127.) There is no reason why a company named "John P. Dant Distillery Co." cannot put out whiskey under trademarks such as "Meadow Springs," "Old Hardesty," "White Seal," or "Bonbrook"—as the alleged predecessors of the respondent corporation actually have done (105a-117a, 127a-129a, 133a)—which of course would not infringe upon petitioner's trademark "J. W. Dant."

What the courts below wholly failed to apprehend is that the right of a man to use his own name in business is a doctrine that applies, if at all, only to the name of the business (the commercial or trade name) and not to the brand name for a product (the trademark). That is the distinction so plainly written into the statute by Congress, 15 U.S.C. § 1115(b)(4), *supra*. In other words, assuming some need for the law to accommodate every man in his desire to use his own name *as the name of his business*, it does not follow that he is entitled to any special consideration when it comes to using his own name *as a trademark for his goods* if someone else has priority in the adoption and use of that name as a trademark.

The leading commentators all have approved the holding and underlying principles of the *Davids* case. Thus, 2 Nims, Unfair Competition and Trade-Marks 789 (4th ed. 1947), states:

> "A mark registered under the ten-year clause is entitled to protection from infringement just as is any other trade-mark. . . . This protection is not

> restricted to the use of a mark in the same form in which it is registered. Any colorable imitation will be considered an infringement."

In 4 Callmann, Unfair Competition and Trade-Marks 2107 (2d ed. 1950), the author states:

> "The owner of a mark vested with secondary meaning and registered pursuant to the ten-year clause was entitled to the same protection that any other trade-mark owner could claim."

Professor Derenberg in his treatise, Trade-Mark Protection and Unfair Trading 356-57 (1936), wrote:

> "Wherever [a family] name has acquired an indisputable 'secondary meaning'... no other person, regardless of whether he bears the same name, may use the name in a trade-mark sense for the same class of goods. This principle was laid down by the Supreme Court in the *Davids* case which concerned the family name "Davids,' registered under the ten year clause."

The courts below completely ignored *Davids* and petitioner's rights under the federal trademark statute. They relied on ancient precedents of this Court, such as *Goodyear's India Rubber Glove Mfg. Co.* v. *Goodyear Rubber Co.*, 128 U. S. 598 (1888); *Brown Chemical Co.* v. *Meyer*, 139 U. S. 540 (1891); and *Howe Scale Co.* v. *Wyckoff, Seamans & Benedict*, 198 U. S. 118 (1905). They paid no attention to the fact that the Court had specifically repudiated *Howe Scale* and other "earlier cases" in *L. E. Waterman Co.* v. *Modern Pen Co.*, 235 U. S. 88, 94 (1914), so that they have not represented good trademark law for almost fifty years.* In the cited case, Mr. Justice Holmes, writing for the Court, stated (235 U. S. at p. 94):

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* The *Waterman* case granted only a qualified injunction requiring the use of an explanatory phrase, but the complainant's mark had been registered under the Trademark Act of 1881, which, unlike the Trademark Act of 1905 construed in *Davids*, provided no protection over and above the common law. Moreover, petitioner in this case has received no relief whatsoever.

"the defendant lays hold of language in Howe Scale Co *v.* Wyckoff, Seamans & Benedict, 198 U. S. 118, 140, and in other books, to the effect that courts will not interfere with the use of a party's own name 'where the only confusion, if any, results from a similarity of the names, and not from the manner of the use.' But, whatever generality of expression there may have been in the earlier cases, it is now established that when the use of his own name by a later competitor will and does lead the public to understand that those goods are the product of a concern already established and well known under the name, and when the profit of the confusion is known to, and, if that be material, is intended by, the later man, the law will require him to take reasonable precautions to prevent the mistake."

The decision below also is in conflict with numerous personal name cases in other circuits, e.g.:

John B. Stetson Co. v. *Stephen L. Stetson Co.*, 85 F. 2d 586 (2d Cir. 1936), *cert. denied*, 299 U. S. 604 (1936);

Coty, Inc. v. *Parfums de Grande Luxe, Inc.*, 298 Fed. 865 (2d Cir. 1924);

Warner Bros. Co. v. *Wiener*, 218 Fed. 635 (2d Cir. 1914);

Browne-Vintners Co. v. *National Distillers & Chemical Corp.*, 151 F. Supp. 595 (S. D. N. Y. 1957);

Hat Corp. of America v. *D. L. Davis Corp.*, 4 F. Supp. 613 (D. Conn. 1933);

J. F. Rowley Co. v. *Rowley*, 18 F. 2d 700 (3d Cir. 1927);

Gamlen Chemical Co. v. *Gamlen*, 79 F. Supp. 622 (W. D. Pa. 1948);

Henderson v. *Peter Henderson & Co.*, 9 F. 2d 787 (7th Cir. 1925);

Stark v. *Stark Bros. Nurseries & Orchards Co.*, 257 Fed. 9 (8th Cir. 1919), *aff'd*, 255 U. S. 50 (1921).*

The District Court in the instant case relied upon *Stix, Baer & Fuller Dry Goods Co.* v. *American Piano Co.*, 211 Fed. 271 (8th Cir. 1913), which cites *Goodyear* and *Howe Scale*, repudiated by this Court in *Waterman* the following year; furthermore, the *Stix* case was decided prior to this Court's decision in the *Davids* case and did not even mention whether the complaining party's mark was registered. The decision below takes the benefits of a valuable mark away from petitioner and makes a shambles of the law of trademarks in the Sixth Circuit. This is not an isolated instance; in two other very recent cases the Sixth Circuit denied relief for trademark infringement and unfair competition on the basis of reactionary reasoning that is completely out of step with current developments in this field of the law. *Crane Co.* v. *Crane Heating & Air Conditioning Co.*, 299 F. 2d 577 (6th Cir. 1962); *Jack Daniels Distillery Inc.* v. *Hoffman Distilling Co.*, 298 F. 2d 606 (6th Cir. 1962). See also *S. C. Johnson & Son, Inc.* v. *Johnson*, 266 F. 2d 129 (6th Cir. 1959), *cert. denied*, 361 U. S. 820 (1959).

We repeat that the result below is in direct conflict with the only decision of this Court that is precisely in point because it involves a personal name registered as

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*The same principle is applied in the cases denying the right to registration in the Patent Office of confusingly similar personal names, e. g.: *J. B. Williams Co.* v. *Williams*, 48 F. 2d 398 (C. C. P. A. 1931); *In re Hoover*, 123 U. S. P. Q. 394 (T. T. A. B. 1959); *Girard-Perregaux & Cie., S. A.* v. *Perregaux*, 122 U. S. P. Q. 95 (Comm'r 1959); *Gerber Products Co.* v. *Gerber*, 109 U. S. P. Q. 111 (Comm'r 1956).

a trademark under the ten-year provisio of the Trademark Act of 1905, *Thaddeus Davids Co.* v. *Davids*, 233 U. S. 461 (1914).

II

Since this Court so rarely accepts a trademark case for review, its old precedents are out of line with the current state of the law as it has developed in the lower federal courts to meet the complex needs of a constantly growing economy. It is of the utmost commercial importance that the Court deal with the substantive issues of trademark law under the Act of 1946, which have not had the benefit of any elucidation whatever by the Supreme Court.* Only this Court can dispel the confusion which now prevails, to the lasting injury of the business community and the consuming public, callously deceived by the unethical practices of deliberate and wanton infringers.

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* This Court never has passed upon a substantive question under the Trademark Act of 1946. The only case under this Act that the Court has accepted for review involved the technical question of extraterritorial jurisdiction. *Steele* v. *Bulova Watch Co.*, 344 U. S. 280 (1952). During the past twenty years, the Court has decided only four trademark cases, none of which dealt with the basic substantive questions of the law of trademarks. In addition to *Steele*, these cases were: *Champion Spark Plug Co.* v. *Sanders*, 331 U. S. 125 (1947) (right to sell reconditioned products under original manufacturer's trademark); *Mishawaka Rubber & Woolen Mfg. Co.* v. *S. S. Kresge Co.*, 316 U. S. 203 (1942) (accounting of profits); and *Pecheur Lozenge Co.* v. *National Candy Co.*, 315 U. S. 666 (1942) (choice of state as against federal law).

The last time this Court passed upon the merits of a trademark infringement action was almost 25 years ago, in *Armstrong Paint & Varnish Works* v. *Nu-Enamel Corp.*, 305 U. S. 315 (1938). The most recent cases in this Court dealing with trademarks that consist of personal names—the kind of mark involved in the instant case—were decided almost 50 years ago: *L. E. Waterman Co.* v. *Modern Pen Co.*, 235 U. S. 88 (1914); *Thaddeus Davids Co.* v. *Davids*, 233 U. S. 461 (1914).

The decision below represents such a sharp departure from the great weight of authority in personal name cases as to call for corrective action by this Court. A failure to act in this case to bring the law up to date would result in the deprivation of equity from trademark owners in the Sixth Circuit and those other circuits which still cling to the same archaic notions.

The importance of this field of the law is indicated by the large number of personal name trademarks that are so well-known that they come instantly to mind from industry after industry, for example: "Chrysler" and "Ford" automobiles; "du Pont" and "Dow" chemicals; "Parker" and "Waterman" pens; "Squibb" and "Merck" drugs; "Steinway" and "Knabe" pianos; "Stetson" and "Dobbs" hats; "Coty" and "Chanel" perfumes; "Kellogg" and "Post" cereals; "Campbell's" soups and "Heinz" foods; "Johnson's" waxes; "Crane" plumbing equipment; "Williams" shaving cream; "Remington" typewriters; and "Smith Bros." cough drops. And, of course, there are many personal names used as trademarks in the alcoholic beverage industry, in addition to petitioner's "J. W. Dant."* The great weight of authority favors adequate protection for trademarks in this category, even as against other individuals bearing the same or confusingly similar names. We respectfully submit that it is incumbent upon this Court to dispel the confusion in this field by instructing the circuits how they shall apply the rule of law which Congress obviously intended to be uniform throughout the country. (See 15 U.S.C. § 1127, definitions of "Intent of Act" and "Commerce.")

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* Indeed, some of the best known alcoholic beverage trademarks consist of personal names, such as "I. W. Harper," "Hiram Walker," "Seagram's," "Dewar's," "Gordon," "Gilbey," "Haig & Haig," "Barton," "Heublein," "Pabst," "Schlitz," "Ballantine," and many others.

III

The judgment below cannot be sustained on the ground of laches and acquiescence suggested by the District Court (48a-49a), because of several settled principles of trademark law that the courts below failed to apply.

The corporate respondent acquired its alleged rights in the trademark "John P. Dant" by means of an assignment dated only a few weeks before it commenced this action for a declaratory judgment (139a-140a) and when it already was on notice from petitioner of its claim of infringement (12a). For a period of less than two years, the title to the "John P. Dant" trademark had been held by John P. Dant, Jr., the individual respondent. His assignor was a corporation of similar name, which had been owned by John P. Dant, Jr. and his two sisters. Shortly prior to the sale of the stock of this corporation (to an individual who had been its principal customer and who changed its corporate name), a purported assignment of the trademark to John P. Dant, Jr. was executed (137a-138a).

John P. Dant, Jr., was not engaged individually in the whiskey business at any time during the period he allegedly held title to the mark, and the corporate respondent never has owned a whiskey distillery or been engaged in distilling whiskey (77a-78a).* The purported assignments of rights in "John P. Dant" as a trademark—first from the corporation now known as Old Boone Distillery Co. to John P. Dant, Jr., and then from John P. Dant, Jr. to the respondent

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*The Court of Appeals demonstrated its total lack of comprehension of this case by stating in its opinion that respondents "assert their right to use the trade-mark under which the whiskey of appellee's distillery is marketed." The appellee below is the respondent corporation here; this is the corporation that distills no whiskey and never has owned any whiskey distillery.

corporation—were naked transfers unaccompanied by any physical assets or other indicia of the goodwill of the business in connection with which the trademark allegedly was used. Such a transfer is an assignment in gross, which is wholly ineffective to vest any rights in the purported assignee, regardless of a formal recital of goodwill. *Kidd* v. *Johnson*, 100 U. S. 617 (1880); *Bulte* v. *Igleheart Bros.*, 137 Fed. 492, 499 (7th Cir. 1905); *MacMahon Pharmacal Co.* v. *Denver Chemical Mfg. Co.*, 113 Fed. 468, 474-75 (8th Cir. 1901). It is the fact and not the recital that controls; and it cannot be controverted on this record that the transfers were in gross.

The respondent corporation therefore is not entitled to the benefits of any rights that the former corporation might have built up as the result of the failure of petitioner's predecessor to object to that corporation's minor use of "John P. Dant" at an earlier date. The fact that a trademark owner may have been guilty of laches with respect to a different party is not an excuse on which an infringer may rely. *Anheuser-Busch, Inc.* v. *Budweiser Malt Products Corp.*, 287 Fed. 243 (S. D. N. Y. 1921), *aff'd*, 295 Fed. 306 (2d Cir. 1923); see also, *National Lead Co.* v. *Wolfe*, 223 F. 2d 195, 204 (9th Cir. 1955), *cert. denied*, 350 U. S. 883 (1955); *Great Atlantic & Pacific Tea Co.* v. *A. & P. Radio Stores, Inc.*, 20 F. Supp. 703 (E. D. Pa. 1937). Since the respondent corporation's alleged rights in the "John P. Dant" trademark date back only to October 11, 1955, manifestly it is in no position to invoke the principles of laches, acquiescence or estoppel against petitioner in this action, which was commenced six weeks later, on November 21, 1955.

Furthermore, the judgment describes the individual respondent as the "owner" of the trademark "John P. Dant" and the corporate respondent as his "exclusive

licensee." Although a trademark may be licensed, supervision and control by the licensor are essential prerequisites to the validity of the license. *Everett O. Fisk & Co.* v. *Fisk Teachers' Agency, Inc.*, 3 F. 2d 7 (8th Cir. 1924); *Lea* v. *New Home Sewing Mach. Co.*, 139 Fed. 732 (E.D.N.Y. 1905). "[A] bare license is a fraud upon the public and unlawful." *Societe Comptoir de L'Industrie Cotonniere Etablissements Boussac* v. *Alexander's Department Stores, Inc.*, 299 F. 2d 33, 35 (2d Cir. 1962). The Trademark Act of 1946, which is declaratory of the common law of trademarks in this respect, requires control over "the nature and quality of the goods . . . in connection with which the mark is used." 15 U. S. C. §§ 1055, 1127. The record of this case is totally devoid of any evidence whatever to show even an attempt by John P. Dant, Jr. to exercise the required control over the goods of the respondent corporation; indeed, the case was tried on the theory that the respondent corporation was the owner rather than the licensee and the judgment is the only place where the District Court described it as a licensee.*

Finally, the corporate respondent's alleged "use" of "John P. Dant" as a trademark is fraudulent, thus forfeiting any right to relief it might otherwise have had, because the trademark is applied to goods that the corpora-

* The corporate respondent sued as owner of the trademark "John P. Dant," even seeking an order from the court directing registration of the mark (9a) which only the "owner" may do under the statute. 15 U. S. C. § 1051. The findings and conclusions of the District Court recited the assignments and upheld the corporate respondent's rights. In the judgment, however, the District Court decreed that the individual respondent John P. Dant, Jr. is the "owner" of the trademark and that the corporate respondent is his "exclusive licensee." The Court of Appeals again demonstrated its failure to understand the issues in the case; it repeated the characterizations of "owner" and "licensee" set forth in the judgment, but simultaneously approved the District Court's "appropriate and correct" conclusions of law despite the fact that they say nothing whatever about a license and treat the corporation as the owner of the mark.

tion does not make or own. The statutory definition of a trademark (again declaratory of the common law) includes names, symbols and the like that are "adopted and used by a *manufacturer or merchant* to identify *his goods* and distinguish them from those manufactured or sold by others." 15 U. S. C. § 1127 (emphasis added). The whiskey to which the respondent corporation affixes labels bearing the trademark "John P. Dant" is owned by the same individual who purchased the stock of Old Boone Distillery Co. and who was that corporation's principal customer when it was still owned by John P. Dant, Jr. and members of his family; the whiskey is simply sent to the respondent corporation for bottling and the affixation of labels bearing the trademark (64a, 67a-73a). This is a perversion of the function of a trademark and nullifies any rights that otherwise might have been acquired in it. *In re Toledo Porcelain Enamel Products Co.*, 58 F. 2d 423 (C. C. P. A. 1932); *National Comics Publications, Inc.* v. *Sive*, 115 U. S. P. Q. 393 (Comm'r. 1957). Admittedly, the individual who is described in the judgment as the owner of the mark has made no trademark use of it since the assignment. Thus no trademark use whatever is made of the term claimed by respondents, either by the corporation or by the individual.

Even if the assignments of the "John P. Dant" trademark were considered valid, the respondent corporation still could claim no rights in it because it is being used so as to misrepresent the source of the goods; i.e., it suggests that the respondent corporation vouches for the goods either as manufacturer or merchant when in fact it neither makes nor sells them. This, too, is a basic principle of trademark law which was completely ignored below: *Manhattan Medicine Co.* v. *Wood*, 108 U. S. 218, 223 (1883); cf. 15 U. S. C. § 1064.

In summary, respondents had no standing whatever to support a judgment granting affirmative rights to use the trademark "John P. Dant" as against petitioner; and neither of the respondents had any basis for asserting equitable defenses against petitioner's claim of infringement.

Conclusion.

For the foregoing reasons the writ of certiorari should be granted.

Respectfull, submitted,

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May 4, 1962

Appendix A

STATUTES INVOLVED

Trademark Act of 1946 (Lanham Act), 60 Stat. 427 (1946)

Sec. 2, 15 U. S. C. § 1052. No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it—

* * * * * *

(e) consists of a mark which, (1) when applied to the goods of the applicant is merely descriptive or deceptively misdescriptive of them, or (2) when applied to the goods of the applicant is primarily geographically descriptive or deceptively misdescriptive of them, except as indications of regional origin may be registrable under section 4 hereof, or (3) is primarily merely a surname;

(f) except as expressly excluded in paragraphs (a), (b), (c), and (d) of this section, nothing herein shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce. The Commissioner may accept as prima facie evidence that the mark has become distinctive, as applied to the applicant's goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the 5 years next preceding the date of the filing of the application for its registration.

Sec. 5, 15 U. S. C. § 1055. Where a registered mark or a mark sought to be registered is or may be used legitimately by related companies, such use shall inure to the benefit of the registrant or applicant for registration, and such use shall not affect the validity of such mark or of its registration, provided such mark is not used in such a manner as to deceive the public.

Sec. 7(b), 15 U. S. C. § 1057(b). A certificate of registration of a mark upon the principal register provided by this

Act shall be prima facie evidence of the validity of the registration, registrant's ownership of the mark, and of registrant's exclusive right to use the mark in commerce in connection with the goods or services specified in the certificate, subject to any conditions and limitations stated therein.

Sec. 32(1); 15 U. S. C. §1114(1). Any person who shall, in commerce, (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services; or (b) reproduce, counterfeit, copy, or colorably imitate any such mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles, or advertisements intended to be used upon or in connection with the sale in commerce of such goods or services, shall be liable to a civil action by the registrant for any or all of the remedies hereinafter provided, except that under subsection (b) hereof the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such mark is intended to be used to cause confusion or mistake or to deceive purchasers.

Sec. 33(b), 15 U. S. C. §1115(b). If the right to use the registered mark has become incontestable under section 15 hereof, the certificate shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate subject to any conditions or limitations stated therein except when one of the following defenses or defects is established:

* * * * * *

(4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a trade or service mark, of the party's individual name in his

own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe to users the goods or services of such party, or their geographic origin;

* * * * * *

Sec. 45, 15 U. S. C. § 1127. In the construction of this Act, unless the contrary is plainly apparent from the context:

* * * * * *

Commerce. The word "commerce" means all commerce which may lawfully be regulated by Congress.

* * * * * *

Related company. The term "related company" means any person who legitimately controls or is controlled by the registrant or applicant for registration in respect to the nature and quality of the goods or services in connection with which the mark is used.

Trade name, commercial name. The terms "trade name" and "commercial name" include individual names and surnames, firm names and trade names used by manufacturers, industrialists, merchants, agriculturists, and others to identify their businesses, vocations, or occupations; the names or titles lawfully adopted and used by persons, firms, associations, corporations, companies, unions, and any manufacturing, industrial, commercial agricultural, or other organizations engaged in trade or commerce and capable of suing and being sued in a court of law.

Trade-mark. The term "trade-mark" includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.

* * * * * *

Colorable imitation. The term "colorable imitation" includes any mark which so resembles a registered mark as

to be likely to cause confusion or mistake or to deceive purchasers.

* * * * * *

Intent of Act. The intent of this Act is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commerce from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks; and to provide rights and remedies stipulated by treaties and conventions respecting trademarks, trade names, and unfair competition entered into between the United States and foreign nations.

Trademark Act of 1905, 33 Stat. 724 (1905)

Sec. 5, 15 U. S. C. § 85. That no mark by which the goods of the owner of the mark may be distinguished from other goods of the same class shall be refused registration as a trade-mark on account of the nature of such mark unless such mark—

* * * * * *

(b) Consists of or comprises the flag or coat of arms or other insignia of the United States or any simulation thereof, or of any State or municipality or of any foreign nation, or of any design or picture that has been or may hereafter be adopted by any fraternal society as its emblem, or of any name, distinguishing mark, character, emblem, colors, flag, or banner adopted by any institution, organization, club, or society which was incorporated in any State in the United States prior to the date of the adoption and use by the applicant: *Provided;* That said name, distinguishing mark, character, emblem, colors, flag, or banner was adopted and publicly used by said institution, organization, club, or society prior to the date of adoption and use

by the applicant: *Provided*, That trade-marks which are identical with a registered or known trade-mark owned and in use by another and appropriated to merchandise of the same descriptive properties, or which so nearly resemble a registered or known trade-mark owned and in use by another and appropriated to merchandise of the same descriptive properties as to be likely to cause confusion or mistake in the mind of the public or to deceive purchasers shall not be registered: *Provided*, That no mark which consists merely in the name of an individual, firm, corporation, or association not written, printed, impressed, or woven in some particular or distinctive manner, or in association with a portrait of the individual, or merely in words or devices which are descriptive of the goods with which they are used, or of the character or quality of such goods, or merely a geographical name or term, shall be registered under the terms of this act: *Provided further*, That no portrait of a living individual may be registered as a trade-mark except by the consent of such individual, evidenced by an instrument in writing, nor may the portrait of any deceased President of the United States be registered during the life of his widow, if any, except by the consent of the widow evidenced in such manner: *And provided further*, That nothing herein shall prevent the registration of any mark used by the applicant or his predecessors, or by those from whom title to the mark is derived, in commerce with foreign nations or among the several States or with Indian tribes which was in actual and exclusive use as a trade-mark of the applicant, or his predecessors from whom he derived title, for ten years next preceding February twentieth, nineteen hundred and five: *Provided further*, That nothing herein shall prevent the registration of a trade-mark otherwise registerable because of its being the name of the applicant or a portion thereof.

Appendix B

Memorandum Opinion of the United States District Court for the Western District of Kentucky

IN THE

UNITED STATES DISTRICT COURT

FOR THE WESTERN DISTRICT OF KENTUCKY
at Louisville

JOHN P. DANT DISTILLERY CO., Plaintiff, *vs.* SCHENLEY DISTILLERS, INC., Defendant and Third-Party Plaintiff, *vs.* JOHN P. DANT, JR., Third-Party Defendant.	No. 3044

MEMORANDUM

This action was instituted by John P. Dant Distillery Co., against Schenley Distillers, Inc., by the filing of a complaint November 21, 1955. Plaintiff invoked jurisdiction of this Court on diversity of citizenship between the plaintiff and the defendant. Plaintiff sought a declaration of rights with respect to the trade-mark under which it markets whiskey and its corporate name, and sought injunctions protecting it in the continuation of its alleged right to use the trade-mark and its corporate name.

Defendant filed its answer April 4, 1957, denying in detail the material averments of the complaint and by counterclaim it sought an injunction against plaintiff and

against John P. Dant, Jr., president of plaintiff corporation, who was made a third-party defendant. The injunction sought by defendant on its counterclaim and third-party complaint would enjoin the alleged infringement upon registered trade-marks of defendant and also enjoin plaintiff and third-party defendant from alleged unfair competition with defendant by the use of the name "John P. Dant" or any use of the name "Dant", alone or in combination, as trade-marks or trade names in connection with the distilling and marketing of whiskey.

Plaintiff's reply to defendant's counterclaim and the answer of John P. Dant, Jr., third-party defendant, to the third-party complaint was filed February 12, 1958, and contained two defenses. Plaintiff admitted the facts constituting jurisdiction of the counterclaim and denied the remaining material allegations of the counterclaim. Plaintiff alleged affirmatively that the defendant was seeking to appropriate to itself the exclusive use of the family name "Dant"; that "John P. Dant" was a part of the corporate name of plaintiff, the name of its trade-mark on its labels in the sale of whiskey, and the personal name of third-party defendant and its current president. It was alleged that the use of the common surname "Dant" by the plaintiff, the third-party defendant, and their predecessor users of said trade and corporate name was and had always been reasonable, honest and fair, and that the labels and corporate name were not identical with or an imitation of defendant's trade-mark "J. W. Dant." It was alleged that concurrent and competing use of the marks "John P. Dant" and "J. W. Dant" had existed in the whiskey business for 50 years without protest. In the second defense it was alleged that, by reason of the business relations and the ownership of stock of the plaintiff's predecessor by George W. Dant, the president and principal owner of the stock of defendant's predecessor corporation, the defendant was estopped to now question the right of the plaintiff and the third-party defendant to use and continue to use the corporate name "John P. Dant Distillery Co.," and to use the trade-mark "John P. Dant" on its whiskey.

The case was tried to the Court without a jury on December 17 and 18, 1958, and final briefs were submitted by counsel for the parties on June 3, 1960.

Findings of Fact.

From the testimony heard at the trial, the exhibits, and the exhaustive briefs filed by counsel, the Court makes the following findings of fact:

1. The plaintiff, John P. Dant Distillery Co., is a corporation created under the laws of the State of Kentucky, and was incorporated February 25, 1946, under the corporate name of "John P. Dant Distributing Co."; by amendment, its corporate name was changed to "John P. Dant Distillery Co.," on December 15, 1954. It has used the name "John P. Dant" as a part of its corporate name and as a trade-mark in advertising and packaging its products during its entire corporate existence.

2. John P. Dant, Jr., president of plaintiff corporation since its organization and third-party defendant in this action, is the son of John P. Dant, Sr., and the grandson of Joseph Washington Dant (hereinafter referred to as J. W. Dant). He became associated with his father in the whiskey business in Louisville, Kentucky, in 1913. When the John P. Dant Distillery Company, Inc., located at Meadowlawn, Jefferson County, Kentucky, was organized November 28, 1933, John P. Dant, Jr., was one of the incorporators and vice-president of the corporation. Upon the death of his father on April 18, 1944, he became president of the John P. Dant Distillery Company, Inc., which office he held until February, 1954, when he and his two sisters sold their interest in the corporation to R. L. Buse of Cincinnati, Ohio. John P. Dant, Jr., was one of the incorporators of the John P. Dant Distributing Co., in 1946, which later became the John P. Dant Distillery Co., plaintiff in this action.

3. John P. Dant, Sr., was one of the seven sons of J. W. Dant and a brother of George Washington Dant (referred to herein as George W. Dant). From 1875 to 1883, he worked as a distiller for his father at the J. W. Dant Distillery at Dant, Marion County, Kentucky. In 1890, he began operations in Louisville as the "Pioneer Bottling House," later changed to "John P. Dant," and shortly afterward became a partner in the firm of Dant and Carter. From 1912 to 1922, he was connected with the Smith Distillery Company at Chicago, Marion County, Kentucky; he was president and a major stockholder of the company. When the John P. Dant Distillery Company, Inc., was organized in 1933, he was one of the incorporators, became president, and remained in that position until his death in April, 1944.

4. The John P. Dant Distillery Company, Inc., was incorporated November 28, 1933, and operated a distillery at Meadowlawn, Jefferson County, Kentucky. Following the sale of the interest of John P. Dant, Jr., and his two sisters in the corporation in February, 1954, its articles of incorporation were amended and its corporate name became "Old Boone Distillery Co.," on December 10, 1954.

5. By a written assignment dated February 15, 1954, the John P. Dant Distillery Company, Inc., transferred to John P. Dant, Jr., the trade-mark "John P. Dant", together with the good will of the business of the John P. Dant Distillery Company, Inc., in connection with which the trade-mark "John P. Dant" was used.

By a writing dated October 11, 1955, John P. Dant, Jr., transferred and assigned to the John P. Dant Distillery Co. (formerly John P. Dant Distributing Co.) the trade-mark "John P. Dant" and the good will of the business with which that mark was used, with the provision that upon the termination of the connection of John P. Dant, Jr., with the John P. Dant Distillery Co., or upon his death, the corporation was to transfer and assign the trade-mark to John P. Dant, Jr., or his personal representative.

6. J. W. Dant died in 1902 and, in part, his will provided:

> "I desire that after my death no whiskey subsequently made be branded with my name, the use of which as a brand for whiskey shall then cease, except that any contracts previously made shall be carried out in good faith, and even in the absence of my outstanding contracts should I die during a distilling season, the product of that season's run may be branded as heretofore."

7. Upon the death of his father, J. W. Dant, in 1902, George W. Dant became president of The Dant Distillery Co., Inc., at Dant, Kentucky, and remained as president and controlling stockholder until his death on April 25, 1943. He was also a stockholder in the John P. Dant Distillery Company, Inc., and his will, in part, provided:

> "I desire that all interest of value that may be found in my possession in the John P. Dant Distillery Company, Inc., go to the living heirs of my brother John, at cost or market, whichever is the lower."

8. December 27, 1897, the J. W. Dant Distillery at Dant, Kentucky, was incorporated under the name of "The Dant Distillery Co., Inc.," with J. W. Dant as president. The other incorporators were four of his sons: Joseph Bernard, Thomas Sidney, William Wallace, and George W. Dant. As stated above, George W. Dant became president in 1902. The Dant Distillery Co., Inc., obtained two trade-mark registrations. The first one was for the brand name "J. W. Dant" in script form, No. 320,981, dated January 15, 1935, for whiskey, and included a design of four kernels of corn in which the name "Dant" appeared and the words "Est'd in 1836." The second registration was for the brand name "J. W. Dant" in block form, No. 376,057, dated March 12, 1940, for whiskey.

9. Subsequent to the death of George W. Dant in 1943, the assets, stock, and trade-marks of The Dant Distillery

Co., Inc., were acquired by United Distillers of America, Inc., and United Distillers of America, Ltd.

10. The defendant, Schenley Distillers Inc., is a corporation created under the laws of the State of Delaware. On March 5, 1953, defendant acquired by assignment from United Distillers of America, Inc., and United Distillers of America, Ltd., all of the assets and good will of The Dant Distillery Co., Inc., including the corporate name and the trade-mark "J. W. Dant", the registrations thereof, and the good will of the business connected therewith. On the same date, March 5, 1953, the corporate name of The Dant Distillery Co., Inc., was changed to "The A. H. Corporation", and the defendant organized a new Kentucky corporation under the name of "The Dant Distillery Company." The A. H. Corporation was subsequently dissolved.

11. Defendant in this action contends that J. W. Dant began the business of distilling and selling whiskey in 1836 under the trade-mark "J. W. Dant." However, the Court is inclined to agree with the statement of an examiner of the Patent Office in a report, which is a part of Defendant's Exhibit No. 10, wherein he said:

> "The petitioner (The Dant Distillery Co., Inc.) claims 1836 as its earliest date of use. The record, however, is deemed insufficient to support this claim. It does satisfactorily appear that the petitioner through predecessors in business has had use of this mark since before the year 1890, * * *." (Parenthetical expression added.)

12. During the period George W. Dant was president of The Dant Distillery Co., Inc., from 1902 until his death in 1943, John P. Dant, Sr., and John P. Dant, Jr., after 1913, were engaged in the whiskey business in Kentucky. From the organization of the John P. Dant Distillery Company, Inc., in 1933 until the death of George W. Dant in 1943, there were trade relations between The Dant Distillery Co.,

Inc., and the John P. Dant Distillery Company, Inc., of which latter corporation George W. Dant was a substantial stockholder although he was president of the former corporation. At no time during the lifetime of George W. Dant did The Dant Distillery Co., Inc., take any court action to terminate or make any objection whatever, of which there is now evidence, to the use of the name "Dant" by the John P. Dant Distillery Company, Inc., as a trade-mark of its whiskey or as a part of its corporate name. For some 40 years, at least John P. Dant, Sr., and George W. Dant were engaged in the whiskey business, each and both using the surname "Dant", either alone or in combination, as a trade-mark or as a business or corporate name.

13. It is clearly shown by the evidence that the volume of the business conducted by the plaintiff corporation is small in comparison with the volume of the business of the defendant's corporation. Defendant's gross sales of whiskey sold under the brand names of "J. W. Dant" and "J. W. Dant Old Bourbon" for the period from March 1, 1953, to October 31, 1958, amounted to $150,000,000. The competition in sales is negligible and the proof of confusion is unconvincing.

Conclusions of Law

The Court makes the following conclusions of law:

1. This Court has jurisdiction of the matters involved in the complaint of the plaintiff. 28 U.S.C. § 1332. It also has jurisdiction of the matters involved in the counterclaim and third-party complaint filed by the defendant. 28 U.S.C. § 1338(a) and (b).

2. The law of this case is practically the same whether controlled by the law of Kentucky or the federal law. Compare Country Distillers Products, Inc. *v.* Samuels, Inc. (Country Distillers Products, Inc. *v.* Old Samuels Distillery, Inc.), 309 Ky. 262, 217 S.W.2d 216; Churchill Downs Distilling Co. *v.* Churchill Downs, Inc., 262 Ky. 567, 90 S.W.2d 1041; Kay Jewelry Co. *v.* Gay's Jewelry, Inc., Ky., 277

S.W.2d 30, with Neuhoff, Inc. *v.* Neuhoff Packing Co., 6 Cir., 167 F.2d 459; National Distillers Products Corp. *v.* K. Taylor Distilling Co., Inc., D.C.E.D.Ky., 31 F. Supp. 611, opinion by Judge Ford; Yellow Cab Transit Co. *v.* Louisville Taxicab & Transfer Co., 6 Cir., 147 F.2d 407; Old Lexington Club Distillery Co. *v.* Kentucky Distilleries & Warehouse Co., D.C.N.J., 234 F. 464, and Procter & Gamble Co. *v.* J. L. Prescott Co., 3 Cir., 102 F.2d 773.

3. In Country Distillers Products, Inc. *v.* Samuels, Inc., 309 Ky. 262, 269, 217 S.W.2d 216, 220, the Kentucky Court of Appeals quotes with approval from a Canadian case cited in 107 A.L.R., p. 1282:

> " 'Every man has the undeniable right to the use of his patronymic name in his business and he cannot be absolutely restrained from using it, even though another person bearing the same name, previously established in a business of the same character, has adopted it; he can only be prevented from making use of it in such a way as to cause confusion.' "

That opinion then quotes the following statement from Stix, Baer & Fuller Dry Goods Co. *v.* American Piano Co., 8 Cir., 211 F. 271, 274:

> " 'It is now settled beyond controversy that a family surname is incapable of exclusive appropriation in trade. The right of every man to use his own name in his business was declared in the law before the modern doctrine of unfair trade competition had arisen. It is part of the law of trade-mark.* * *. If, however, the name has previously become well known in trade, the second comer uses it subject to three important restrictions: (1) He may not affirmatively do anything to cause the public to believe that his article is made by the first manufacturer. (2) He must exercise reasonable care to prevent the public

from so believing. (3) He must exercise reasonable care to prevent the public from believing that he is the successor in business of the first manufacturer. This duty to warn, however, must not be pressed so far as to make it impracticable for the second comer to use his name in trade.' "

4. In Yellow Cab Transit Co. *v.* Louisville Taxicab & Transfer Co., 6 Cir., 147 F. 2d 407, 414, a statement of Mr. Justice Holmes in the opinion in L. E. Waterman Co. *v.* Modern Pen Co., 235 U. S. 88, 94, 35 S. Ct. 91, 59 L.Ed. 142, is quoted:

" 'But, whatever generality of expression there may have been in the earlier cases, it now is established that when the use of his own name upon his goods by a later competitor will and does lead the public to understand that those goods are the product of a concern already established and well known under that name, and when the profit of the confusion is known to and, if that be material, is intended by the later man, the law will require him to take reasonable precautions to prevent the mistake.' "

There is no fixed rule by which to measure the degree of laches which is sufficient to bar the enforcement of a right. Each case must be determined according to its own particular facts and circumstances. Richardson *v.* Blue Grass Mining Co., D.C.E.D.Ky., 29 F. Supp. 658, affirmed 6 Cir., 127 F.2d 291, certiorari denied 317 U. S. 639, 63 S. Ct. 30, 87 L.Ed. 515.

5. It was stated in Anheuser-Busch *v.* DuBois Brewing Co., 3 Cir., 175 F.2d 370, 377, that a party should not be aided in equity by injunction where another has been permitted to conduct a localized operation over a long period of time.

6. In Old Lexington Club Distillery Co. *v.* Kentucky Distilleries & Warehouse Co., D. C. N. J., 234 F. 464, 469, the Court said:

> "For one to permit another to build up a reputation for one's goods under a trade-name for a long period of time, and then to assert an exclusive right to that name and thereby acquire the benefit of the reputation and trade the other has built up, when it lay in the power of the former at any time to have arrested the use of the trade-name by the latter, seems to me most inequitable, because, if the right had been asserted before the reputation was acquired, the infringer could have adopted another name and built his reputation on it."

This rule was reaffirmed in Procter & Gamble Co. *v.* J. L. Prescott Co., 3 Cir., 102 F.2d 773, 780.

7. George W. Dant's ownership of stock in the plaintiff's predecessor did not of itself estop the defendant to challenge plaintiff's right to the use of the trade-mark "John P. Dant" on its whiskey or to use the surname "Dant" in its corporate name. However, George W. Dant, as president of the Dant Distillery Co., Inc., not only stood by and observed John P. Dant, Sr., and John P. Dant, Jr., engage in business under the corporate name "John P. Dant Distillery Company, Inc.," but he failed to take any affirmative action to circumscribe or limit the use of the name "Dant" in connection with the conduct of their whiskey business. It indicates to the Court either that George W. Dant did not regard the competition of the John P. Dant Distillery Company, Inc., as sufficient to justify the effort and expense incident to a court proceeding, or that the two brothers regarded the use of the family surname "Dant" as a mark of their products and as a part of their business or corporate name as a legitimate right of each. The fact that neither John P. Dant, Sr., nor John P. Dant, Jr., sought to register the trade-mark "John P. Dant" indi-

cates a feeling of security in the use of the surname "Dant" in connection with the conduct of their business.

8. The Court is not convinced that the evidence affords any reason to conclude that the plaintiff, John P. Dant Distillery Co., or the third-party defendant, John P. Dant, Jr., has tried to substitute the products of the plaintiff corporation for the products of the defendant. The essence of unfair competition is in palming off one person's goods for those of another and nothing less than conduct tending to show, by direct or circumstantial evidence, the intention to so palm off merchandise will constitute unfair competition. Goodyear's India Rubber Glove Mfg. Co. *v.* Goodyear Rubber Co., 128 U. S. 598, 9 S. Ct. 166, 32 L. Ed. 535; Socony-Vacuum Oil Co. *v.* Rosen, 6 Cir., 108 F.2d 632, 635.

9. The Court concludes that the use of the name "Dant" by the plaintiff and third-party defendant in the whiskey business is legitimate, and that it would be inequitable at this late date in the history of their operations to enjoin or to attempt to curtail by injunction the continuation of their operations.

Conclusion

It is, therefore, concluded by the Court that a judgment, declaring the rights of the plaintiff to use the trade-mark "John P. Dant" and the corporate name "John P. Dant Distillery Co.," as presently adopted and used, and dismissing the counterclaim and third-party complaint of the defendant, will be tendered by the plaintiff.

/s/ Roy M. Shelbourne

Roy M. Shelbourne
United States District Judge

August 9, 1960.

Appendix C

Judgment of the United States District Court for the Western District of Kentucky

[Caption Omitted]

JUDGMENT.

This action came on to be tried by the Court, without a jury, the evidence adduced by the parties was heard, the case taken under advisement by the Court, briefs filed by counsel for the parties and the Court being advised in the premises and having filed and entered of record its findings of fact and conclusions of law, it is hereby

Ordered, adjudged and decreed, as follows:

1. The plaintiff, John P. Dant Distillery Co., is entitled to use the name "*John P. Dant*" in its corporate name; and the third-party defendant, John P. Dant, Jr., owner of the "John P. Dant" mark for Kentucky Bourbon Whiskey, and plaintiff, exclusive licensee of the owner John P. Dant, Jr., are entitled to use the name and mark "*John P. Dant*" in the manner and style said name and mark has been used in the whiskey business for many years.

2. As used to identify the goods of the plaintiff, John P. Dant Distillery Co., the trademark "John P. Dant" is not confusingly similar to defendant's mark "J. W. Dant".

3. The counterclaim and third-party complaint of the defendant are hereby dismissed.

4. The plaintiff and third-party defendant recover of the defendant their costs herein expended.

/s/ Roy M. Shelbourne

Roy M. Shelbourne
United States District Judge

December 19, 1960.

Appendix D

Opinion of the United States Court of Appeals for the Sixth Circuit

IN THE

UNITED STATES COURT OF APPEALS

FOR THE SIXTH CIRCUIT

No. 14,549.

JOHN P. DANT DISTILLERY CO.,
Plaintiff-Appellee,

vs.

SCHENLEY INDUSTRIES, INC.,
Defendant and Third Party
Plaintiff-Appellant,

vs.

JOHN P. DANT, JR.,
Third Party Defendant-Appellee.

Decided January 4, 1962

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF KENTUCKY, AT LOUISVILLE

Before SIMONS and MARTIN, Circuit Judges, and DARR, District Judge.

PER CURIAM.

The appellant, Schenley Distillers, Inc., is successor in title to the trade-mark "J. W. Dant," distiller of Kentucky whiskey from way back in 1836. The appellee,

John P. Dant Distillery Co., and the third-party defendant-appellee, John P. Dant, Jr., its president, assert their right to use the trade-mark under which the whiskey of appellee's distillery is marketed and to use its corporate name. John P. Dant, Jr., is a grand-son of J. W. Dant and a nephew of the latter's son, George W. Dant—the family's early Kentucky distillers.

In this action, tried without the intervention of a jury, the United States District Court held that the appellee is entitled to use the name "John P. Dant" in its corporate name, and is entitled, as exclusive licensee of the owner John P. Dant, Jr., to use the name and mark "John P. Dant" in the manner and style in which such name and mark have been used in the whiskey business for many years. The Court held further that the trade-mark "John P. Dant" is not confusingly similar to appellant's trade-mark "J. W. Dant."

District Judge Shelbourne, in a Memorandum (published in 189 F. Supp. 821) consisting of Findings of Fact, supported by substantial evidence and not clearly erroneous, and appropriate and correct Conclusions of Law, set forth succinctly the basis upon which he reached his conclusion. The Conclusions of Law are documented with appropriate authority, including several decisions of this court.

Inasmuch as the findings and conclusions are published, as shown, supra, and are entirely adequate, we find no occasion to re-write or add to Judge Shelbourne's excellent work.

Accordingly, the judgment of the District Court is affirmed.

Appendix E

Judgment of the United States Court of Appeals for the Sixth Circuit

[Caption Omitted]

JUDGMENT

January 4, 1962

Appeal from the United States District Court for the Western District of Kentucky.

This Cause came on to be heard on the transcript of the record from the United States District Court for the Western District of Kentucky, and was argued by counsel.

On Consideration Whereof, It is now here ordered and adjudged by this Court that the judgment of the said District Court in this cause be and the same is hereby affirmed.

Approved for entry:

/s/ John D. Martin
United States Circuit Judge

Appendix F

Order of the United States Court of Appeals for the Sixth Circuit Denying Petition for Rehearing

[Caption Omitted]

ORDER.

February 8, 1962

Before Simons and Martin, Circuit Judges; Darr, District Judge.

The Petition for Rehearing *en banc* and request for oral argument thereon, filed by the Defendant and Third Party Plaintiff-Appellant shall be, and the same is hereby,

Denied.

Enter:

/s/ John D. Martin
United States Circuit Judge